

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re

CITY OF DETROIT, MICHIGAN,

Debtor.

No. 13-53846

Chapter 9

HON. STEVEN W. RHODES

EXHIBIT 9

**APPELLEE STATE OF MICHIGAN'S DESIGNATION OF
ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL**

In connection with Notice of Appeal filed by
William M. Davis and DAREA [Dkt. #8369].

Item	Date Filed	Docket Number	Description
9	3/6/2014	2900	Objection to Chapter 9 Plan filed by Creditor Cecily R. McClellan

February 22, 2013

Honorable Steven W. Rhodes
 United States Bankruptcy Court Eastern
 211 W. Fort St. Suite 1800 - 1825
 Detroit, Michigan 48226

Dear Judge Rhodes:

I was forced into retirement 7/29/12 from Department of Human Services a 100% Federally funded program. Mr Bing gave away this Department and all its jobs to an organization in Wyandotte, MI. The destruction of this 50 year old agency was based on flimsy allegations, but more importantly it increased the unemployment rate and caused me to retire prematurely.

If my income is cut 30% I will lose my house. I will no longer be able to pay utilities and taxes. I can not afford to pay for health care, increased deductible and Rx. I am the sole income in my house. I support a job. No more
 Cecily McClellan
 13-53846-twr Doc 889-0 Filed 02/06/14 Entered 02/06/14 13538461403060000000000052
 Det MI 48202

February 14, 2014

Honorable Judge Steven W. Rhodes
U.S. Bankruptcy Court for the Eastern District of Michigan

Detroit Bankruptcy Case 13-53846

Dear Judge Rhodes:

As a life-long resident and retiree of the City of Detroit, I am fearful that the city representatives and the court place a low value on the aforementioned people. I have lived now for years with poor city services, high taxes, outsourcing or privatization of jobs, union busting, sub-standard chartered education system dictated by the state (EAA), while more and more visitors enjoy the benefit of city amenities. It appears that retirees are being scapegoated. The great recession of 2008 was not caused by the workers, but reckless exotic banking practices (derivatives, swaps, bundling high risk debt, etc.). Mayor Kilpatrick was praised for the Pension Obligation Certificate deal he made with Wall St in 2006, while the opposing council members were criticized and Sean Werdlow (former CFO) got a promotion to corporate America. "Ole what shady deals"

Wallace Turberville of DEMOS and a former Goldman Sachs Vice President provided an excellent report of recommendations that could have assisted or at minimum reduced the impact of bankruptcy on the residents; city employees and retirees (see attachment). Some recommendations included, that the state pay the actual revenue sharing based on Detroit population, eliminate or place a moratorium on tax abatements, sue the banks for fraudulent high risk financial deals. This November 2013 report provided many excellent recommendations that could have prevented the looting of Detroit assets. Billionaires and millionaires are allowed access to federal dollars designed for neighborhood stabilization, by labeling funds under blight, structures (homes and buildings) can be demolished and remodeled with low income funds.

I love art, but should art be protected while a retiree less than 65 years of age use the majority of the pension to pay for health care? Should tax dollars be used to finance the demolition of the Joe Louis Arena, while assisting in the financing of a new hockey stadium to be built on welfare rate land? Should DTE Energy had been given over a 150 million NO bid contract in April 2011, only to cut off the lights or at least not repair street lights. Special interest groups lobbied for a Public Lighting Authority without the vote of the citizens, by having Michigan Legislature declare PLD no longer a utility. Now DTE can reap the profit for sales of electricity to universities, hospitals and other private entities. Now NO Bid contract is the way the city largely does business and many are getting rich off of Detroit's financial crisis.

Detroit is ground zero for income inequality. Many Detroiters like me were forced to retire, and then the department (Human Services) I worked for was privatized and now employs many residents in Wyandotte Michigan. This has happen throughout the city to other departments. Contrary to popular belief a large number of former city workers are college educated with degrees. I expect Detroit has the highest unemployed certified teachers and master level educators in Michigan.

I thought the bankruptcy court was there to ensure that the city collects all revenue due. How can it be beneficial to allow Kevyn Orr to siphon off 95 million from various city budgets for restructuring? Recently, Mr. Orr approved the payment of a Jones Day lawyer's contract for a rate over \$1,000.00 an hour. It is my understanding that this Jones Day attorney was paid over \$170,000 dollars for a month's services. The hourly rate could pay for two retiree's monthly health care.

However, Mr. Orr wants to only allow \$125-175.00 for health insurance promised after decades of employment for non-uniform employees. The retirees are not looking for charity, but rather for the state and the bankruptcy court to uphold the State of Michigan Constitution. The majority of the city and state voted to repeal Public Act 4 (Emergency Manager Law). However, many were willing to withhold judgment on Kevyn Orr's motives, until the Barclay's Swap Deal and his refusal take legal action against alleged fraudulent activities of banks. Now "the Emperor has on no clothes"

In closing, most market-place health care plans cost over \$500.00 a month. Most retirees receive about \$1500.00 dollars before taxes. Health care cost alone could be bankrupting. Many retirees are the primary income of their households, and with the high unemployment rate and few jobs available to native Detroiters the poverty rate will rise. Many retirees have multiple illnesses and the stress of wondering whether you will be able to afford health care or food is complicating these illnesses.

It is unfair to give a \$125-175 stipend to a 30 year employee and a \$400.00 to a 20 year employee, where is the justification? It is my recommendation that a group health plan be bid out. I am sure the market place could find a provider capable of providing less expensive plans for thousands of customers.

Finally, it is my expectation that pensions will be protected and that the city will think about people first and the REAL quality of life of its citizens, many who are also retirees. The Declaration of Rights in the Preamble of the Detroit City Charter clearly states that;

"Detroit City government is a service institution that recognizes its subordination to the people of Detroit. The City shall provide for the public peace, health and safety of persons and property within its jurisdictional limits. The people have a right to expect aggressive action by the City's officers in seeking to advance, conserve, maintain and protect the integrity of the human, physical and natural resources of this city from encroachment and/or dismantlement. The people have a right to expect city government to provide for its residents, decent housing; job opportunities; reliable, convenient and comfortable transportation; recreational facilities and activities; cultural enrichment, including libraries and art and historical museums; clean air and waterways, safe drinking water and a sanitary, environmentally sound city."

These quality of life issues are the hallmark of the City of Detroit Charter.

Sincerely,

Additional Sources of Information

1. The Detroit Bankruptcy, Demos November 2013, By Wallace Turbeville
2. How Detroit Went Broke, A Free Press Investigation, 2013
3. United States Overview Of Chapter 9 of the Bankruptcy Code: Municipal Debt Adjustment, 8/23/2010, By Heiman, Lennox, Sinnanyan, Sisitsky, Tambe and **JONES DAY**
4. Pensions and Chapter 9: Can Municipalities Use Bankruptcy to Solve their Pension Woes, Ellman and Merrett Jones Day Partners, 2011